

Planned Testimony of Fred Zawilinski for the July 29th Meeting of the Subcommittee on Housing and Community Opportunity in Columbus, Ohio

Good afternoon. My name is Fred Zawilinski, and I serve as the executive director of the Lake Metropolitan Housing Authority in Painesville, Ohio.

First, I would like to thank Congressman Steven LaTourette and the Subcommittee on Housing and Community Opportunity for the invitation to testify at this hearing today.

Today, I ask to consider very carefully the proposal and legislation that would convert the Housing Choice Voucher program from the current plan to a state block grant program, because the principle and operation of block granting does not promise the benefits one arguably occurred under welfare reform and TANF,

First, the Housing Choice Voucher program is not a cash assistance entitlement program similar to TANF. Almost every Housing Choice Voucher program in the United States has a waiting list. Even if program rules and operations were designed similarly to TANF, you will not experience the reduced caseloads that TANF did. If you qualified for TANF assistance at the time of application, you quickly were receiving benefits. With the Housing Choice Voucher, you may be qualified to receive housing assistance, and face a waiting list of several months or years. If we assist a family achieve economic self-sufficiency, in Lake County we have 2,000 more families on the waiting list to replace them.

And what about the issue of sanctions for non-participation in employment activities? Under TANF in my county, there are degrees of sanction for failure to meet work requirements. If, after a lengthy and cumbersome appeals process, a family is sanctioned, they will receive a sanction from assistance for 1, 3, 6 or more months. A similar process simply is far more troublesome in housing assistance. Here's why: Under the Housing Choice Voucher program, the housing authority, the participant and the landlord sign contracts with each other establishing terms of program operation and use of the rental property. If the participant fails to participate in work and self-sufficiency efforts, relationships extending beyond the government and the aid recipient are broken. Property owners and utility providers will incur much greater risk that they will not receive their monthly portion of the rent or bills. Owners of the most desirable rental properties would abandon the program, knowing that they can incur similar returns on their properties without the inspections and rent reasonableness requirements imposed upon them by the voucher regulations. The sanctioned family receives no benefit for a period of time, but what happens to the funds needed to assist the family? Do we

close the case and move on to the next family, requiring the sanctioned family to suffer a penalty much greater than a mere one or three month sanction? Or does the administrator leave the voucher funds uncommitted, realizing that the family may cure their fault and thus be entitled again to housing assistance?

Second, where is the greater coordination at the state level between TANF and housing assistance going to come from without increasing the complexity of rules and regulations tied to the assistance? My experience with the TANF program is that many policies are established at the local level, not the state. I have served on local TANF committees to discuss progress in reducing caseloads and in establishing standards for families to request extensions based on hardship. Lake County's TANF program is not the same as Cuyahoga County's TANF program, nor is it the same as a rural Appalachian county's program. TANF in fact has three sets of regulations: federal requirements and goals, state requirements and goals and local requirements. The current Housing Choice Voucher program has federal requirements and goals, and housing authorities have a wide range of flexibility to meet their communities' needs for housing. The critical area for coordination is not at the state level; it is at the local level and can be best accomplished through inter-agency cooperation between housing authorities, who already understand housing, and TANF agencies, who already understand various welfare assistance programs.

Keep in mind, too, that the purpose of improving government support of self-sufficiency efforts by assisted families by greater coordination between TANF, the Workforce Investment Act and other similar programs assumes that a significant number of Housing Choice Voucher participants also receive TANF cash assistance. This simply is not true. I reviewed HUD's data through the PIC information system and see that nationally only 16% of voucher holders receive TANF assistance. At admission to the program 20% report TANF assistance and at the end of their participation, only 14% are receiving TANF assistance. Ohio's percentages are even less. A much higher percentage of Housing Choice Voucher participants receive Social Security or SSI income than receive TANF assistance. Cash programs exist for several subsets of our population; Housing Choice Vouchers exist for all households that meet income and other qualifications. Housing authorities do not have the luxury, if you will, of attempting to refer cases from TANF to SSI where appropriate. We are, in essence, the only game in town for many communities.

There are certainly reforms that could be instituted that would improve voucher utilization and, I believe, cut costs and streamline the program. Proposals to permit a housing authority reduce the number of HQS inspections may be worthy of consideration. There are many landlords

who operate very responsibly and have had long-standing tenants who have maintained their housing unit in excellent condition. Lessening the burden of annual inspections on these families and landlords would save money and save our partners from the imposition the inspection can bring. There is already established precedent for waiving or reducing inspection burdens with the homeownership program, where the housing authority could choose to inspect one time for the lifetime of the assistance.

Continued investigation and experimentation into incentives for self sufficiency within the current program framework should also be considered. Broadening the scope of the existing Family Self Sufficiency Program would be welcomed. FSS program coordinators help pull together a wide range of social service, private business, faith-based and other organizations to develop action plans and enhance the support for those persons seeking to become self-sufficient. Another self-sufficiency technique available in law already but not funded is to expand the earned income disallowance already in place for all qualifying public housing residents and for disabled households on the Housing Choice Voucher program so that it includes non-disabled households.

Approximately six years ago, Congress authorized and funded the Moving to Work Demonstration Program. You directed HUD to select high-performing housing authorities and provide them with a great range of autonomy and flexibility, waiving many portions of the US Housing Act of 1937 and other regulations, permitting agencies to receive funds as a flexible housing assistance fund, rather than having HUD designate funds specifically for Public Housing and Section 8 purposes. These housing authorities were also allowed to adopt income and other incentives to encourage work and self-sufficiency efforts. Under the 2004 budget, Moving to Work is receiving no funding, presumably bringing an end to the demonstration. I ask, before changing the entire structure of tenant-based housing assistance, is that Congress and HUD assess the results of the Moving to Work demonstration. Learn whether de-regulation offered and delivered the hoped for results within our current system of delivery before you invest in scrapping the current system, risking the disruption of housing assistance to families and needed income to property owners.

A recent evaluation by the Office of Management and Budget gave the Housing Choice Voucher program a relatively high score based on the fact that it already provides cost-effective service, permits portability of assistance that allows families to choose housing outside areas of poverty concentration and closer to work and to community amenities, and an excellent self-sufficiency component. The flexibility hoped for in HANF can be found and implemented within the existing system, just as Congress and HUD added greater flexibility and local autonomy under the Public Housing Reform Act of 1998.

As a citizen and student of good governmental practices, I urge you to consider carefully the expected costs and benefits of making the major change of converting the Housing Choice Voucher to HANF; from my perspective the expected benefits simply do not justify the costs.

Thank you for your time this afternoon.